

## Bill Patterson (Research)

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**From:** Jay Stem <jay@ncaggregates.org>  
**Sent:** Friday, February 28, 2014 04:38 PM  
**To:** Bill Patterson (Research)  
**Cc:** 'Mac Boxley (Macboxley@aol.com)'; 'Steve Bruce (Steve.Bruce@martinmarietta.com)'; Steve.Reel@martinmarietta.com; 'Tom Carroll (carrollt@vmcmail.com)'; Rep. Sarah Stevens; Rep. Dean Arp  
**Subject:** RE: NCLTA Proposed Changes to the Mechanics Lien Law now posted to Committee website

Bill,

Comments from NC Aggregates Association concerning the NCLTA proposed changes to the Mechanic's Lien Law:

- The revisions presented by NCLTA have not been discussed at the prior two meetings. If these issues need to be studied and presented to a study committee, they need to be proposed during the first or second meeting, not at the last "working" meeting. This is very similar to the tactic used with the last LRC Mechanic's Lien Law Study Committee to make changes to the lien law.
- This proposal was released to the stakeholders late on Wednesday afternoon (4:10 pm), February 26. That only allowed 2 business days for the effected stakeholders to review and receive comments from our members.
- The new law was implemented in two phases last year and has not been given enough time for the construction industry to fully implement.
- It should not be overlooked, that the changes being made to the lien law are effecting thousands of small subcontractors/suppliers and should not be rushed through a committee in order to satisfy the NCLTA.
- These proposed changes will be unfairly shifting the risk back to the suppliers and subcontracts.
- Sections 3 and 4 of their proposed changes are substantial to the suppliers/subcontractors:
  - These changes will remove the rights that the suppliers/subcontractor achieved under the revisions made last year. The intent of the changes last year were to give the suppliers/subcontractors more protection – thus being paid for the work that they performed. Under the current law, the contractors cannot waive the lien rights of the suppliers/subcontractors without their approval. The proposed change would allow the contractor to waive the suppliers/subcontractors lien rights without their notice. The suppliers/subcontractors were told during the 2012 LRC Study Committee meetings that they needed to submit a "Notice" so the contractors and owners would know who is performing work on the project - this would help ensure that all suppliers/subcontractors are paid for the work they performed. So, why is the NCLTA proposing to remove the "check and balance" that was just implemented to ensure that the suppliers/subcontractors are being paid. These proposed changes will be undermining the intent of the protections given to the suppliers/subcontractors just last year.
  - These substantial changes should not be rushed through at the last work meeting. These issues need to be fully vetted with the stakeholders over several meetings – similar to the meetings held in 2012 and 2013 to discuss the NCLTA changes. These changes have the potential to put the small supplier/subcontractor out of business.

NCAA opposes the timing of submitting these changes and strongly opposes the changes in Section 3 and 4.

I will be out of town on Monday and unable to speak, but Mac Boxley will speak on behalf of NCAA.

Thank-you the opportunity to submit comments on the NCLTA proposal.

Jay Stem

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**From:** Bill Patterson (Research) [<mailto:Bill.Patterson@ncleg.net>]

**Sent:** Wednesday, February 26, 2014 4:10 PM

**To:** Allison Cooper; Barbara Moore; Ben Davis; Benton Albritton ; Betsy Bailey; Bill Stricker; Brian Schoolman; Cady Thomas; Cathy Meeler; Chip Killian; Connie Wilson; Cynthia Mills; D. McGowan; Danielle Musselwhite; Dave Simpson; David Crawford; David Ferrell; Doug Carlson; Eddie Williams; Elizabeth Biser; Elizabeth Harrison ([eh@harrisonlegal.com](mailto:eh@harrisonlegal.com)); Eric Biesecker; Fenton Erwin ([ferwin@ebcmlaw.com](mailto:ferwin@ebcmlaw.com)); Freeman, Lorrin N. ([N.Lorrin.Freeman@nccourts.org](mailto:N.Lorrin.Freeman@nccourts.org)); Hank Jarrett ; Helen Landi; Henry Jones; Henry Lancaster; J. Scott Bengel; Jack Cozort; James E. Creekman ([jecreekman@wardandsmith.com](mailto:jecreekman@wardandsmith.com)); James Laurie; Jason Deans; Jason Herndon; Jay Stem; Jay Williams; Jeanette Deese; Jeff Gray; Jessi Hayes; Jim Harrell; Keith Coltrain ('[keith.coltrain@walltempleton.com](mailto:keith.coltrain@walltempleton.com)'); Kim Crouch; Kim Hibbard; Kimberly Rosenberg; Larry Adams; Lauren Whaley; Linda Burkett; Lisa Martin; Mac Boxley; Matt Langston; Mclean, John; Mike Carpenter; Mildred R. Spearman; Nancy Ferguson; Nathan Batts; Nicholas Long; Paul Meyer; Pete Powell; Ricky Vick; Ryan Wainio; Stephen Brown; Stone, Ken; Terry Preston; Theresa Rosenberg; Tom Carroll; William Arent  
**Subject:** NCLTA Proposed Changes to the Mechanics Lien Law now posted to Committee website  
**Importance:** High

To Interested Stakeholders:

Staff has received a [proposal for additional changes to the mechanics lien law](#) submitted by the NC Land Title Association. It is expected that these proposed changes will be among those considered by the Committee at its meeting on Monday.

If you have any written comments relating to the NCLTA's proposed changes, please send them to me by email by close of business on Friday, and let me know if you also desire to be heard concerning them at next week's meeting.

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